



House of Representatives

File No. 608

General Assembly

January Session, 2009

(Reprint of File No. 152)

House Bill No. 5536
As Amended by House
Amendment Schedule "A"

Approved by the Legislative Commissioner
April 9, 2009

**AN ACT CONCERNING INTEREST ON CHARGES FOR SEWER
SYSTEM EXPANSION.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 7-253 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2009*):

3 [The] In the case of an acquisition, construction or expansion of a
4 sewerage system financed from the general reserves of the
5 municipality or by bonds or notes issued by the municipality, the
6 water pollution control authority may provide for the payment of any
7 assessment in substantially equal annual installments, not exceeding
8 thirty, and may provide for interest charges applicable to such
9 deferred payments. [The] When the acquisition, construction or
10 expansion of the sewerage system is financed by the issuance of bonds
11 or notes by the municipality, the last installment of any assessment
12 shall be due not later than one year prior to the date of the last
13 maturity of [any] such bonds or notes [issued by the municipality to
14 finance the acquisition or construction of the sewerage system] or
15 portion thereof in respect to which the assessment was levied, except

16 that if such bonds or notes are a general obligation of the municipality,
 17 the municipality may levy an assessment the last installment of which
 18 may be due up to ten years after the date of the last maturity of such
 19 bonds or notes provided the total amount of such assessment does not
 20 exceed the amount of the principal of such bonds or notes which have
 21 been paid prior to the levying of such assessment. [Any such interest]
 22 Interest charges may not exceed (1) the maximum rate of interest the
 23 municipality is obligated to pay on such bonds or notes, or (2) a
 24 reasonable rate of interest when the acquisition, construction or
 25 expansion of the sewerage system is financed from the general
 26 reserves of the municipality. Any person may pay any installment for
 27 which he is liable at any time prior to the due date thereof and no
 28 interest on any such installment shall be charged beyond the date of
 29 such payment. The water pollution control authority shall cause the
 30 town clerk of the town in which the property so assessed, in such equal
 31 installments, is located, to record on the land records a certificate,
 32 signed by the tax collector or treasurer of the municipality, of such
 33 facts in form substantially as follows:

34 CERTIFICATE OF NOTICE OF INSTALLMENT

35 PAYMENT OF ASSESSMENT OF BENEFITS

36 The undersigned Tax Collector (or Treasurer) of the Town of
 37 (district of) in the County of, State of Connecticut, hereby certifies
 38 from the date hereof an installment payment plan is in effect, for
 39 payment of an assessment of benefits for the installation of a sewerage
 40 system, in favor of the Town of (district of) upon real property
 41 situated in (town or municipality), Connecticut, which real property
 42 is more fully described in the (town) Land Records in:

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43 The notice of such assessment of sewerage benefits herein certified
 44 is to (owner of property), the principal of which is \$.... due to said
 45 Town of, (district of), together with legal interest, fees and

46 charges thereon, assessed on (date) in the name of (owner of
 47 property) and the same became due on (date) and may be paid in
 48 annual installment payments of \$.... each plus or including interest and
 49 continuing to

T2 (indicate which) (date of last installment)

50 This certificate is filed pursuant to section 7-253 of the general
 51 statutes as amended, (or (indicate special act or charter)).

T3 The property assessed is:

T4 Lot Street

T5 Item No.

T6 Tax Collector (or Treasurer)

T7 Received 20.. At M.

T8 Recorded in Land Records.

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T10 Town Clerk

52 Such certificate shall operate as notice of the existence of a plan for
 53 payment of such assessment by installments and the [town clerk shall
 54 cancel or remove the same] tax collector shall prepare a release of
 55 certificate and record the same on the land records within seven
 56 calendar days after the last installment due has been satisfied, or the
 57 total assessment together with all interest, fees and charges has been
 58 paid in full.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2009	7-253

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 10 \$	FY 11 \$
Various Municipalities	Potential Revenue Gain	See Below	See Below

Explanation

The bill could result in a revenue gain to the extent that municipalities choose to charge interest when a sewer system project is financed from their general reserves.

House "A" makes a technical change and has no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 5536 (as amended by House "A")******AN ACT CONCERNING INTEREST ON CHARGES FOR SEWER SYSTEM EXPANSION.*****SUMMARY:**

This bill allows a water pollution control authority (WPCA) to assess, in substantially equal installment payments over a period of up to 30 years, the cost of a sewer system whose acquisition, construction, or expansion is financed from the municipality's general reserves. It also allows the municipality to charge a reasonable rate of interest on such assessments. It requires the WPCA to have the town clerk where the assessed property is located to place a certificate on the land records indicating the assessment.

By law, these provisions apply to the acquisition and construction of systems financed by municipal bonds. The bill extends these provisions to systems expanded using bond financing.

By law, a certificate must be filed on the land records of property subject to sewer assessments. Under current law, the town clerk must cancel or remove the certificate within seven days after the last installment is paid or the total assessment is paid off. The bill instead requires the tax collector to prepare a release of certificate and record the release on the land record under these circumstances.

*House Amendment "A" adds the provisions on the release of the certificate.

EFFECTIVE DATE: October 1, 2009

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 20 Nay 0 (03/06/2009)